

VZCZCXRO2004  
RR RUEHMA RUEHPA  
DE RUEHNM #0943/01 3321110  
ZNR UUUUU ZZH  
R 281110Z NOV 09  
FM AMEMBASSY NIAMEY  
TO RUEHC/SECSTATE WASHDC 5485  
INFO RUEHZK/ECOWAS COLLECTIVE

UNCLAS SECTION 01 OF 02 NIAMEY 000943

SIPDIS

DEPT FOR AF/W, AF/EPS, AND EEB/CPS

E.O. 12958: N/A

TAGS: [ECPS](#) [ECON](#) [SOCI](#) [PGOV](#) [KWIR](#) [NG](#)

SUBJECT: Niger: Poor, but not too Poor for Cell Phones

¶1. Summary: Cell Phone usage in Niger is expanding rapidly, despite high costs to users with very limited means. With four service providers, cell phone growth has left landlines far behind. A Government of Niger (GON) survey indicates that men are twice as likely as women to have a cell phone, although use is roughly the same. Half of cell phone users are rural residents, who decrease housing, food, and/or clothing expenditures to afford use of cell phones. Cell phone accounts are prepaid, and use prepaid cards to add credit; card sellers earn as much as mid-level GON employees, as do cell phone repairers. Finally, cell phones play a key role in livestock and grain trading. End summary.

#### A Booming, Competitive Industry Despite Costs

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¶2. Cellular telephone service has been growing at exponential rates in Niger, with national service now provided by four companies: Celtel (now Zain), Moov/Telecel, Orange, and Sahelcom. Despite a per capita income less than USD 300 and poverty rates above 60 percent, the number of cellular telephone accounts increased an average of 171 percent per year during the period of 2000-2005, and reached a national usage level of 12 percent by 2008. Even with competition among companies, the cost of mobile calls in Niger is the second highest in West Africa. Costs for national fixed-line telephone calls are the highest in the region, and there has been virtually no growth in the number of fixed landline subscribers. Over 97 percent of telephone subscribers in Niger use mobile telephony.

#### Informational, Social, & Economic Gains

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¶3. Benefits of growth in cellular communications include access to information, facilitation of business transactions, organization of social and family activities, and employment for youth, particularly young men with minimal schooling. Urban re-sellers of prepaid cards report average monthly earnings in excess of the monthly pay of mid-level bureaucrats.

#### GON Statistics Office Reveals Cell Phone Market Trends

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¶4. The Institut National de la Statistique (INS) recently released a report on the economic and social impacts of mobile phone use in Niger. Titled "The Impact of Mobile Telephony on the Living Conditions of Users and Market Participants," the report is based on a survey of cellular phone users and individuals who provide related products and services, including resellers of prepaid charge cards, vendors of mobile phones and accessories and repairmen. The survey included individuals in the Niamey urban area and two rural communes.

#### More Men than Women Use Cell Phones, Many Rural Users

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¶5. Cell phone owners are almost twice as likely to be men (65.3 percent) as women (34.7 percent), but women who do own cell phones typically use them as much as men. Rural users accounted for just over half of cell phone owners surveyed (Note: Over 80 percent of Nigeriens live in rural areas, where landline telephone coverage is extremely poor. End note.) Half of the individuals surveyed reported a monthly income under USD 115 and monthly cellular spending averaging 10 percent of that income. While 39 percent

reported spending much more money than they did before acquiring a cell phone, 41 percent reported that their spending had not increased significantly but rather they had cut spending on housing (25 percent), food (20 percent), or clothing (14 percent) to compensate.

#### Accounts Prepaid, Recharge Card Sellers' Earnings

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¶16. Most Nigeriens use prepaid cellular accounts and recharge their accounts by purchasing prepaid cards from street corner re-sellers who line the boulevards of Niamey and other urban areas. Most vendors of prepaid cards are young (average age 21 years) and single. Despite lack of education or prior work experience, they reported an average monthly income of USD 165, which is higher than the salary of a mid-level government worker in Niger. Almost half of the card resellers surveyed reported that they had been victim of theft by individuals who left without paying for them. Repair of cellular phones provides employment for a smaller number of individuals, who reported slightly lower monthly income than the re-sellers. Cell phones and cellular accessories are sold by resellers on the street and in market stalls. Of the equipment sellers, 70 percent are self-employed; they reported almost the same average monthly income at around USD 130 monthly, as did re-sellers who work for someone else.

#### Role of Cell Phones in Livestock/Grain Trading

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¶17. The survey evaluated the impact of cell phone use on livestock and grain traders. Traders reported that before the advent of cellular communications they had to visit the markets every day to learn prices and availability of livestock and grain, and found it impossible or inconvenient to contact customers to advise them of

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the arrival of new merchandise. All of the grain and livestock traders surveyed reported that they now use cellular communications to contact clients; almost half reported using cell phones to contact those from whom they obtain products to schedule delivery to the market, and 22 percent of livestock merchants reported using cell phones to compare prices at various markets in order to take their stock to the market with the highest prices.

#### Poor Use Cell Phones, But in Different Ways

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¶18. The survey found that even though the poor use cellular communications, they do so in a different way than those with more money. Unemployed and rural workers do not use cellular communications with the same intensity as those employed in the public or private sectors. The elderly, rural users, and the less well educated use cell phones less than the young, urban users and the well educated, but the increased availability of communications is a benefit to all.

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